

N R National Association of Regulatory Utility Commissioners

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November 20, 2002

Chairman Michael Powell Commissioner Kevin Martin Commissioner Kathleen Abernathy Commissioner Michael Copps Commissioner Jonathan Adelstein 445 12th Street SW, Portals II Building Washington, D.C. 20544

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

RE: Notice n' Written Ex Parte Comment - Two Originals filed in the proceeding captioned: In the Matter of Review of the Section 2.51 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket Nos. 01-338. 96-98 and 98-147, Notice of Proposed Rulemaking, FCC 01-361 (rcl. Dec. 20. 2001).

Dear Commissioners:

As this year ends, all eyes in the telecommunications industry are focused on your agolicy'a plans to act in the abovecaptioned proceeding. As you know, lust last month, NARUC Commissioners from all over the country converged on Detroit either in person or by phone to discuss local phone competition issues with two FCC Commissioner colleagues.

NARUC believes it speaks volumes of those FCC Commissioners' sensitivity to Stare concerns that they traveled to Detroit and devoted practically a whole day to the meeting. A representative from the office of the Chairman and another staft representative from the FCC's Wireline Competition Bureau also attended. We believe their presence demonstrates recognition that States must continue to play a significant role in the partnership fostered by the 1996 legislation Commissioner Copps was unable to make the meeting because of some unavoidable conflicts, but he also made specific arrangements to speak separately with interested NARUC Commissioners on these issues.

This letter is to re-emphasize our commitment to tlie tasks Congress assigned to the State commissions. We urge each of you not io limit or restrict the tools available to the States in fulfilling our Congressionally assigned tasks as we join the FCC to meet our common goal of assuring that consumers reap tlie benefits of a competitive local market. In this environment, the country will benefit from State experimentation. The FCC should follow tlie suggestions of the recent D.C. Circuit decision and allow Stares to make the granular analysis needed to see which UNEs are required in their respective markets.

STATE FLEXIBILITY TO MAINTAIN UNE-P AS WELL AS THE ABILITY TO ADD TO ANY NATIONAL UNE LIST IS CRITICAL TO KEEPING COMPETITION "ON TRACK."

The undersigned strongly support, as a necessary prerequisite to keeping the competition initiative on track, continued State flexibility to maintain the LINE-I' as an entry strategy, as well as the ability to add to any national list of UNEs. Any restriction on the State flexibility on this option will negatively impact the growth of local competition. We offer the following basic outline as our suggestions for the components of a useful FCC order in this docket.

#### (1) NO STATE PREEMPTION:

Any FCC Order should make clear no preemption is intended or should be implied - particularly with respect to additions to the National list imposed by States.

(2) PRESUMPTIVE NATIONAL LIST THAT INCLUDES EXISTING UNE'S

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#### (3) STATE CHECK **CFF** BEFORE A UNE **IS** DE-LISTED

Carriers that want to remove an item from the list must make a factual case before a State commission

#### (4) TIMING OF IMPACT OF STATE DECISION

Any challenged UNE stays on the required list until State commission makes contrary finding.

#### (5) CAUCUS WITH STATES NECESSARY PREREQUISITE

FCC **should** caucus with State Commissions extensively before promulgating the "necessary and impair" standard used to evaluate if a UNE should be available.

#### (6) STATE AUTHORITY TO ADD UNES CONFIRMED.

FCC should confirm its previous ruling that States RETAIN the right to add to the national list after hearing based on State and Federal law.

State commissions remain focused on the difficult tasks of promoting facilities-based competition as envisioned by the 1996 Telecommunications Act and assuring customers receive better services and more choices at lower prices. We emphasize that we cannot accomplish that important economic policy goal without the availability of effective competitive entry strategies such as UNE-P.

Thank you for your attention to our concerns. Please do not he sitate to contact any one of us for additional information on this or any other telecommunications issue.

Sincerely,

David A. Svanda, NARUC President;

ar Clisa

Michigan Commissioner

Stan Wise, NARUC First Vice President;

Georgia Commissioner

Marilyn Showalter, NARUC Second Vice

President; Washington Chairwoman

Commissioner Joan Smith, Chair, Telecommunications Committee

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Commissioner Robert Nelson, Co-Vice Chair,

NARUC Telecommunications Committee

**Thomas** J. Dunleavy, Co-Vice Chair, Telecommunications Committee

#### Additional Signatories to the Letter (The original is signed.):

New Jersey Commissioner Jack Alter Arkansas Commissioner Daryl E. Basseit Oregon Commissioner Lee Beyer New Mexico Comniissioner Jerome D. Block Nebraska Chair Anne Boyle South Dakoia Chair James A. Burg Verniont Commissioner John Burke New Jersey Board Commissioner Fred Butler Utah Comniissioner Ric Campbell District of Columbia Chairman Angel Cartegena Michigan Chair Laura Chappelle North Dakota Commissioner Anthony T. Clark Vermont Commissioner David Coen Maryland Commissioner J. Joseph Curran, III Arkansas Commissioner Betty C. Dickey Louisiana Commissioner Irma Dixon Vermont Chair Michael Dworkin Wyoming Chairnian Steve Ellenbecker Ohio Commissioner Ronnie Fergus Louisiana Chair James M. Field New Jersey Board Chair Jeanne M. Fox Wyoming Commissioner Steve Furtney Wisconsin Commissioner Bert Garvin Connecticut Commissioner Jack Goldberg Maryland Commissioner Ronald A. Guns Illinois Commissioner Terry Harvill Oregon Chair Roy Hemmingway Washington Commissioner Richard Hemstad Arkansas Chairnian Sandra L. Hochstetter New Jersey Board President Connie Hughes New Mexico Commissioner Herb H. Hughes Illinois Commissioner Edward C. Hurley Arizona Commissioner James M. Irvin Nehraska Commissioner Lowell Johnson Nehraska Commissioner Rod Johnson Ohio Commissioner Judith A. Jones Idaho Commissioner Paul Kjellander Texas Chair Becky Klein Illinois Commissioner Ruth K. Kreischmer Iowa Commissioner Mark. O. Lambert Nebraska Commissioner Frank Landis, Jr. Wyoming Commissioner Kristin Lee New Mexico Comniissioner Lynda M. Lovejoy California Comniissioner Lorretta Lynch Ohio Commissioner Donald L. Mason Indiana Chairnian William D. McCarty Maryland Commissioner Gail C. McDonald



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